

**Town of Essex
29 West Avenue
Essex, CT – Meeting Room A**

**Board of Finance
January 21, 2016**

MINUTES

In attendance: Keith Crehan, Chairman, Campbell Hudson, Vice Chairman, Jeffrey Woods, Mary-Louise Polo, Vincent Pacileo, III and Don Mesite.

Others in attendance: Norman Needleman, First Selectman
Kelly Sterner, Finance Director
James Francis, Treasurer
Yvonne Roziak, Recording Secretary
Lon Seidman, Chairman, Essex Elementary School Board of Education

Meeting was called to order at 7:04 p.m. by Keith Crehan.

APPROVAL OF AGENDA:

Motion made by Vince Pacileo to approve the agenda, seconded by Jeffrey Woods. Passed unanimously. Motion carried.

APPROVAL OF MINUTES:

Don Mesite asked that the minutes be amended to include the statement that the purchase of the two specific fire trucks that were purchased were due to fact that they were the only trucks that would be able to fit in the Ivoryton Fire House. After these trucks are no longer in service, it would be extremely unlikely that Ivoryton Fire House would be able to handle larger size vehicles and would then become obsolete.

Motion made by Don Mesite to approve the minutes of the Regular Meeting Minutes (as amended) of November 19, 2015, seconded by Mary-Louise Polo. Passed unanimously. Motion carried.

FINANCIAL REPORT:

Revenues:

It has been a mixed bag of news for the month of December. Current property tax collections of \$1,472,172 for the month of December 2015, the half way point of the fiscal year, brought the collection rate to 61.78%. This is down compared to last fiscal year's rate of 64.19% but is explained by 2 late day deposits totaling \$493,384 made after the 3 pm cutoff on December 31st. The collection rate should return to historic levels by the end of January. Additionally, the collection of a significant past

due is expected in January or February which will further boost the already strong prior year collections. With regard to the State sources of revenue, we have been notified of additional cuts. Our Education Cost Sharing grant from the state will be cut by approximately \$24K. This brings total cuts in state revenue to \$49K for fiscal year 2015-2016 and there is no guarantee that the cuts are finished. We did receive slightly more than \$39K in tax relief funding as well as \$4.4K under the Pequot/Mohegan grant during December, as scheduled. But, as would be expected at 29.5% of budgeted State revenue received, we trail our historic levels. Local revenues totaled \$43.8K for the month. Building Permits had a strong month but are still dragging slightly for the year. January will be another healthy month for building permits and a couple of items in the pipeline could have a very positive impact. Conveyance Tax and Town Clerk Fees continue to be strong. Total revenues collected stands at 60.8% of budget versus 63.3%. Supervision District has notified us that we will receive a total of approximately \$38K in surplus distributions from R4 and supervision district from the prior fiscal year (This will help to offset a project deficit – read on.)

Expenditures:

Expenditures for the month of December totaled \$2,343,094 bringing total YTD spending at the 6-month point to \$12,883,196 or 55.4% of budget. This compares to a YTD total spending of 56.21% at December 2014. Major spending drivers for the month included quarterly payments for insurance, 9-1-1 services, and libraries, and a payment of \$405K to supervision district for debt service. Highway Department expenditures reflected the purchase of 2 replacement plows (approx. \$12K) as well as some significantly higher vehicle maintenance costs for the department's Ford F450. We will likely seek a new capital lease in the budget request for next fiscal year to replace this vehicle.

Financials for the elementary school have been updated. The current projected deficit is almost \$58K. The out of district tuition and transportation is the primary cause of the deficit. While they anticipate some small savings in fringe benefits and general supplies, it will not be sufficient to mitigate the full deficit. It is very likely that the school will require an additional appropriation by the end of the year.

School Financial Report:

Lon Seidman, Chairman, EES BOE indicated that there will be a shortfall of approximately \$58K with regards to a special education costs involving transportation plus tuition. They are not asking for anything yet. This will be incurred in the current fiscal year. Garth Sawyer, Region #4, indicated to Lon to sit on this until closer to the end of the fiscal year to see if there will be any change to the amount. This will most likely be in the budget for the upcoming year and be part of the workshop.

Motion made by Jeffrey Woods to accept the Financial Report, seconded by Vince Pacileo. Passed unanimously. Motion carried.

Other Financial News:

DMV is currently having some issues with the information that is coming from their new computer systems into the Assessor's office here and throughout other towns. This is causing a delay in pulling together the grand list and will be corrected and hopefully, the correct tax bills will go out for this year.

SELECTMEN'S REPORT:

- a. Police Department Sinking Fund Request – Norman indicated that the Board of

Selectman is requesting an appropriation of \$51,000 for a new SUV cruiser for the Essex Police Department. Proposed costs include the vehicle and its equipment. Whelen may possibly provide the lights. This appropriation must go to a Town Meeting. Norman indicated that the Town of Essex now consists of 3 full time police officers, 1 part time officer and 1 resident state trooper.

Motion made by Jeffrey Woods to approve and recommend to Town Meeting the appropriation of an amount not to exceed \$51,000 from the Police Department Vehicle Sinking Fund to purchase a new SUV police vehicle with all necessary equipment, seconded by Mary-Louise Polo. Passed unanimously. Motion carried.

OLD BUSINESS:

- a. Change of date for the BOE Budget Presentation – Kelly proposed three dates previously sent out to the BOF and the best date appears to be March 31st. It was agreed unanimously and the new meeting date will be March 31st at 7:00 p.m.

NEW BUSINESS:

- a. 2016-17 BOF Budget - Kelly distributed the BOF budget request template for fiscal year 2016-2017. It was decided to keep all expenditure requests at the same level as the 2015-2016 budget.

Motion made by Campbell Hudson to approve the BOF Budget Request for FY 2016-2017, in the amount of \$110,500, seconded by Don Mesite. Passed unanimously. Motion carried.

COMMUNICATION AND CORRESPONDENCE:

Kelly will send out the electronic version of the Municipal Fiscal Indicators prepared by OPM and indicated it is approximately 300 pages long. She also stated that Essex fares pretty well when compared to other municipalities around the state.

PUBLIC COMMENT: None

ADJOURNMENT:

Motion made by Vince Pacileo to adjourn the meeting at 8:05 p.m., seconded by Jeffrey Woods. Passed unanimously. Motion carried.

Respectfully submitted,

Yvonne M. Roziak